



**Agenda Item Number: 2006-8-8D**

## **BERNALILLO COUNTY BOARD OF COUNTY COMMISSIONERS**

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**Meeting Date:** August 9, 2006

**Department:** County Manager    **Staff Contact:** Daniel Gutiérrez, Economic Development  
Julie Baca, Deputy County Manager,  
Community Services  
Dan Mayfield, Comptroller  
Tommy Hughes, Hughes and Strumor Ltd.,  
Inc., Bond Counsel

**TITLE:** Industrial Revenue Bond project for Prime Therapeutics Inc.

**ACTION:** Motion to approve Administrative Resolution AR -2006 (Inducement Resolution) concerning industrial revenue bonds in connection with a proposed project for Prime Therapeutics Inc.

The Bernalillo County Office of Economic Development has received an application and project plan for Prime Therapeutics, Inc. Prime Therapeutics LLC is a pharmacy benefits company providing services to approximately 8.5 million clients, which includes several Blue Cross and Blue Shield plans, employers, union groups and third party administrators. Prime offers a full range of pharmacy management services including, claims processing, drug utilization review, formulary management, predictive benefit modeling and analysis, and trend forecasting. Prescriptions / orders are received directly by Prime via Internet, phone or mail and are processed and fulfilled for distribution to members throughout the US. Sales revenues for 2004 exceeded \$ 125M; sales revenues for 2005 exceeded \$495M. Prime projects initial prescription fulfillment to be 1,905 per day (1/1/07), growing to 2,796 per day by year end (12/31/07). Facility will be designed for significant volume growth beyond these projections.

The company seeks up to \$ 9,500,000.00 of non-taxable industrial revenue bonds pursuant to 4-59-1 et seq. NMSA 1978. Prime Therapeutics will construct a state of the art, highly automated Mail Order Pharmacy within an existing facility at 4580 Paradise Blvd. NW, Albuquerque, NM. The facility is currently vacant after housing a credit card transaction processing operation for many years. It proposes to use these bonds for the purchase of pharmacy automation equipment, office furniture and equipment, computer and data processing equipment.

Prime plans to hire 46 new full time employees initially (Jan. 2007) with employment projected to grow to 62 employees by year end (Dec. 2007). Prime anticipates growing employment in future years. All of the construction and the substantial majority of equipment installation efforts will be sourced from contractors, subcontractors and vendors from Bernalillo County. Environmental impact is expected to be minimal, as the facility does not produce noise, air, or water pollution.

In accordance with the procedures specified in the County's Revenue Bond Project Evaluation Policies and Procedures (County Code, Article IV, Division 3), the County Manager submits the

project plan to the Board for discussion and in conjunction with Bond Counsel also requests approval of an “Inducement Resolution” to publish a notice of intent to adopt an Ordinance authorizing the issuance and sale of Industrial Revenue Bonds for this project. The project plan is also submitted for a complete analysis by an independent consultant at the expense of the applicant. Approving the “Inducement Resolution” will expedite consideration of this project, but does not commit the Board of Commissioners to approve the project.

**ATTACHMENT:**

1. Administrative Resolution **AR -2006** (Inducement Resolution)

## **FISCAL IMPACT**

### **STAFF ANALYSIS SUMMARY**

**COUNTY MANAGER**

See Summary

**Legal**

**FINANCE**

**Budget**